

# NEW HAMPSHIRE STATE LIQUOR COMMISSION

## MINUTES OF MEETING – APRIL 6, 2005

**PRESENT:** Chairman Anthony Maiola and Commissioners John Byrne and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Aidan Moore, Chief of Enforcement; Howard Roundy, Director of Information Technology; Peter Engel, Director of Store Operations; Evie Taft, Human Resources Administrator; Richard Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; George Tsiopras, Chief Financial Officer; Doreen Wittenberg, Business Supervisor, Administrative Services.  
**Guests:** Al Piconni, United Beverages, Inc.

### **I. FINANCIAL & ADMINISTRATIVE REPORTS**

#### **1. Financial Report**

##### **A. Weekly, Y-T-D Sales Reports:**

The weekly comparison for the week ending April 3, 2005 shows sales were down by -3.11% or (\$187,578), but were up year-to-date by around 6.2% or \$17,710,225.

##### **B. Budget/Administrative Reports:**

The Commission has two items on the Governor and Council agenda today – one for the septic system at Store #76 Hampton and the other for an extension of the current advertising contract with O'Neil Bodi & Krause.

There was nothing of significance to report regarding the latest W-6 Expense Budget Activity Variance Report.

A request to transfer account monies has been submitted for the next Fiscal Committee agenda. George is also working on a request to go to the Committee concerning benefit and salary deficits.

A check was received from Musiak Insurance for losses incurred in the stores amounting to \$23,000 to \$24,000. Nothing has been heard from the second insurance company to date.

Commissioner Russell mentioned that Commissioner Byrne met with Governor's staff regarding the blanket waiver for store staffing. The Commission did receive a 72-hour turnaround for hiring purposes.

2. IT Report

The store inventory process went well, with just a couple of very small glitches.

The IT room in the warehouse which has mold in it has been cleaned out, and the maintenance crew will be going in to do further necessary cleaning. This situation apparently occurred when a valve training from the air conditioning unit became clogged and was not serviced.

IT is prepared to install equipment in Store #12 as soon as they are informed that the store is ready. The frad line has not yet been installed, but the phone line is in.

Mike Goclowski reported that he has found out how to cluster indexes to have the capability to query product history at Law. Commissioner Byrne asked how licensees were informed prior to inventory being taken. Mike replied that this information was on three web pages. Commissioner Byrne asked that this be highlighted in the future to ensure greater visibility.

3. Human Resources Report

Evie reported that the marketing and sexual harassment training sessions have received some very positive feedback. Some employees have voiced some good ideas as to what they would like to see happen in the future.

**II. MARKETING & SALES REPORTS**

1. Store Operations

Total store sales for the week ending 4/3/05 increased by 7.7% or \$335,822.76.

Store #28 Seabrook Beach will re-open for the season today with reduced hours.

New store information: Work at the Center Harbor store is moving along. Some decisions need to be made regarding shelving there. Ground has been broken at the potential new site for the Glen store, and the Commission may be in that location by August 1<sup>st</sup>. Peter will contact Pat McQueen, the City Manager in Berlin, regarding potential sites.

Peter received a call from a representative of the landlord at the present Keene site inquiring how long the store will be at that location.

The new Dolphin equipment was used during the recent store inventory, and the results appear to be very good.

2. Purchasing Report: No report presented.

3. Merchandising Report

A. SPIRITS:

1) Test Market Products:

a. Test Market Request (Absolut Apeach Vodka):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Future Brands LLC for a new test market listing for Absolut Apeach Vodka, 750ML size (assigned new Code #3731), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Test Market Request (Bacardi Island Breeze Wild Berry Rum, Key Lime Rum and Coconut Rum):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Horizon Beverage Company/Bacardi USA for new test market listings for Bacardi Island Breeze Wild Berry Rum, 750ML (assigned new Code #4205); Bacardi Island Breeze Key Lime, 750ML (assigned new Code #4206); and Bacardi Island Breeze Coconut Rum, 750ML (assigned new Code #4206), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. Test Market Result (Code #3903):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission grant specialty status for Code #3903, Chimayo Reposado Tequila, 750ML, which exceeded the gross profit required for specialty item consideration at the conclusion of a six-month test market period, to be carried in liquor specialty stores only, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Line Extension Request (Stolichnaya Raspberry Vodka, 375ML):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Horizon Beverage Company/ Allied Domecq Spirits & Wines for a line extension to Stolichnaya Raspberry Vodka, 375ML size, as this brand in both the 750ML and 1.75L size have exceeded the gross profit required for an added size listing, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) One Time Buy Request (Jagermeister, 100ML):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve an offer from Horizon Beverage Company/ Sidney Frank Importing Co. for the Commission to purchase a one-time buy of Jagermeister, 100ML size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

1) Special Offers for May 2005 (2 unmatched items – Martignetti Companies):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers from Martignetti Companies of N.H. based upon special purchase allowances/depletions, without matching state funds, for two (2) wine items, to be featured on sale during May 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Purchase and Display of Heron:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve an offer from Martignetti Companies of N.H. for the Commission to purchase and display four (4) Heron 750ML size wines, to be featured on sale during June and July 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Not Recommended – Wine Specialty (2 items):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission deny requests from Horizon Beverage Company to grant

specialty listings for two (2) wine items, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

4) “R” Wines for Allocation to Licensees and Retail Distribution (7 items):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve seven (7) restricted wines for allocation to licensees selected by the broker, and retail distribution, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

5) Primary Source Submissions (17 items exclusive agent; 21 imported):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the listing of seventeen (17) wine codes which are offered by the exclusive marketing agent and twenty-one (21) wine codes which are imported, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

6) Tabled Items:

a. Recommended for Test (3 items) – tabled from 3/30/05, Item B-5:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that this item be removed from the table and referred back to Marketing. The motion was unanimously adopted.

**III. ENFORCEMENT & LICENSING REPORT** – No report given.

**IV. CHAIRMAN’S REPORT & LATE ITEMS**

1. Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve all previously reviewed requests for bailment releases/transfers date March 31 through April 6, 2005. The motion was unanimously adopted.

2. Coupon Approvals: None.

3. Late Items/Other:

- a. Store Hours of Operation Recommendation: Store #28, Seabrook Beach:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve store hours of operation for Store #28, Seabrook Beach, Monday through Saturday, 10:00 a.m. to 6:00 p.m. and Sunday from 12:00 p.m. to 7:00 p.m., effective April 7 through May 19, 2005, to revert back to regular summer hours effective May 20, 2005, as recommended by Peter Engel, Director of Store Operations and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

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Anthony C. Maiola, Chairman

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John W. Byrne, Commissioner

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Patricia T. Russell, Commissioner

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